



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Nevada State Office
P.O. Box 12000 (1340 Financial Blvd.)
Reno, Nevada 89520-0006
<http://www.blm.gov/nv/st/en.html>

In Reply Refer To:
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March 26, 2010

Notice of Competitive Geothermal Lease Sale

The Nevada State Office is holding a competitive oral sale of Federal lands in the State of Nevada for geothermal leasing. Attached is a list that includes the parcel numbers, legal land descriptions and corresponding stipulations, if applicable.

The list is available on the Internet at:

http://www.blm.gov/nv/st/en/prog/minerals/leasable_minerals/geothermal0.html

If the site is not accessible, you may request a paper copy from our Information Access Center by calling (775) 861-6500 between the hours of 7:30 a.m. and 4:30 p.m.

When and where will the sale take place?

- When:** The competitive sale begins at 10:00 a.m. on May 11, 2010. The sale room opens at 8:00 a.m. for registration and assignment of bidder numbers.
- Where:** We will hold the sale at the Bureau of Land Management, Nevada State Office, 1340 Financial Boulevard, Reno, Nevada. Onsite parking is available.
- Access:** The sale room is accessible to persons with disabilities. If you need a sign language interpreter or materials in an alternate format, please tell us no later than one week before the sale. You may contact **Chris Pulliam at (775) 861-6506**.

How do I register as a bidder?

All bidders are required to register prior to the sale. Before the sale starts, you must complete a bidder registration form and present a photo identification card to obtain a bidding number. We will register bidders from 8:00 a.m. until 9:45 a.m. No bidder registration is allowed once the sale has started. We are now accepting pre-registration by mail or fax by completing the enclosed bidder registration form and mailing to the above address or faxing to (775) 861-6710. On the day of the sale, pre-registered bidders must present a photo identification card to receive a bidder number. A bidder number will be assigned at the completion of registration. Interested parties who will not be bidding are not required to register. Interested parties are welcome to observe the sale, however, if seating becomes limited, bidders will be given seating preference.

What is the sale process?

Starting at 10:00 a.m. on the day of the sale:

- the auctioneer offers the parcels in the order they are shown on the attached list;
- all parcels included in a block will be sold together. If the entire block receives no bids, the auctioneer will reoffer the parcels individually.
- registered bidders make bids on a per-acre basis for all acres in a parcel/block;
- the winning bid is the highest bid equal to or exceeding the minimum \$2.00 bid;
- the decision of the auctioneer is final; and
- names of high bidders (lessees) remain confidential until the results list is available.
- The decision of the auctioneer is final. However, if you believe the auctioneer has made an error or not acknowledged your bid, you must immediately make your concerns known to the auctioneer. Once the auctioneer has opened the bidding on the next available parcel for a geothermal lease, the decisions made on the previous parcels offered are final.

If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 640.48 acres requires a minimum bid of \$1,282.00 (641 acres x \$2.00).

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw parcels or cancel a sale, we will post a notice in our Information Access Center and announce the withdrawn parcels at the sale. We will also post a notice to our web page.
- **Lease terms:** Leases issue for a primary term of 10 years. BLM will extend the primary term of the lease if the requirements found in the regulations at 43 CFR 3207.10 have been met. Annual rental is \$2 per acre for the first year (paid to BLM), and \$3 per acre for the second through tenth year (paid to Minerals Management Service (MMS)). After the tenth year, annual rent will be \$5 per acre. Rent is always due in advance. MMS must receive annual rental payments by the anniversary date of the lease.

Royalty rates on geothermal resources produced for the commercial generation of electricity are 1.75 percent for the first 10 years of production and 3.5 percent thereafter. These rates are applied to the gross proceeds from the sale of electricity. The royalty rate is 10 percent for geothermal resources sold by you or your affiliate at arm's length to a purchaser who uses the resource to generate electricity (see the regulations at 30 CFR 206 subpart H and 43 CFR 3211.17 through 3211.20). Royalties shall be due and payable on the last day of the month following the month in which production occurred.

- **Stipulations:** Some parcels have special requirements or restrictions, which are called stipulations. These are included with the parcel descriptions. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.
- **Bid form:** On the day of the sale, successful bidders must submit a properly completed bid form (Form 3000-2, October 1989 or later edition) along with their payment. This

form can be found at www.blm.gov/FormsCentral/show-home.do, BLM form number 3000-002 (use the Fill in PDF format). The bid form is a legally binding offer to accept a lease and all its terms and conditions. Once the form is signed you cannot change it. **We will not accept any bid form that has information crossed out or is otherwise altered.**

We recommend you get a copy of the bid form and complete all but the money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies that:

- (1) You and the prospective lessee are qualified to hold a geothermal lease under our regulations at 43 CFR 3202.10; and
- (2) Both bidder and lessee have complied with 18 U.S.C., 1860, a law that prohibits unlawful combinations, intimidation or collusion among bidders.

Payment:

- **You cannot withdraw your bid.**
- **Payment due on the day of the sale:** Your bid is a legally binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. By 4:30 p.m. on the day of the sale, you must pay the following: (1) twenty percent of the bid; (2) the total amount of the first year's rental (\$2 per acre); and (3) the non-refundable \$145 competitive lease processing fee.
- **Remaining payments:** If your bonus bid was more than \$2 per acre or fraction of an acre and you didn't pay the full amount on the day of the sale, you must pay the balance of your bonus bid by **4:30 p.m. on May 26th, 2010**, which is the 15th calendar day following the sale. **If payment is not received by BLM in full by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale.** We may offer the parcel in a future sale.
- **Method of payment:** You can pay by:
 - personal check;
 - cashier's check;
 - certified check;
 - money order; or
 - credit card (Visa, Mastercard, American Express or Discover).

Please note: BLM will not accept credit or debit card payments to the Bureau for an amount equal to or greater than \$100,000. We also will not accept aggregated small amounts to bypass this requirement. We encourage you to make any payments of \$100,000 or more by Automated Clearing House (ACH) or Fed Wire transfer.

Make checks payable to: **Department of the Interior-BLM.** We do not accept cash. If you previously paid us with a check backed by insufficient funds, we will require a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we

will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you an extension of time to pay the money that is due the day of the sale.

- **Lease issuance:** After we receive the bid forms and all monies due, we can issue the lease. BLM issues your lease the day we sign it. Your lease goes into effect the first day of the next month after the issuance date.

How can I find out the results of this sale?

We post the sale results in the Nevada State Office Information Access Center and the Internet at: http://www.blm.gov/nv/st/en/prog/minerals/leasable_minerals/geothermal0.html

How do I file a noncompetitive offer to lease after the sale?

Lands that do not receive a bid are available for a two-year period beginning the first business day after the sale. To file a noncompetitive offer, you must submit:

- Two executed copies of the applicable noncompetitive lease form;
- \$375 nonrefundable administrative fee; and
- First year's advance rental (\$1.00 per acre or fraction thereof).

For 30 days after the competitive geothermal lease sale, noncompetitive applications will be accepted only for parcels as configured in the Notice of Competitive Geothermal Lease Sale. Subsequent to the 30-day period, you may file a noncompetitive application for any available lands covered by the competitive lease sale, not to exceed 5,120 acres per lease.

All applications for a particular parcel will be considered simultaneously filed if received in the proper BLM office any time during the first business day following the competitive lease sale. You may submit only one application per parcel. An application will not be available for public inspection the day it is filed. BLM will randomly select an application among those accepted on the first business day to receive a lease offer.

Subsequent to the first business day following the competitive lease sale, the first qualified applicant to submit an application will be offered the lease. If BLM receives simultaneous applications as to date and time for overlapping lands, BLM will randomly select one to receive a lease offer.

May I amend my application of a noncompetitive lease?

You may amend your application for a noncompetitive lease at any time before we issue the lease, provided your amended application does not add lands not included in the original application. To add lands, you must file a new application.

May I withdraw my application for a noncompetitive lease?

During the 30-day period after the competitive lease sale, BLM will only accept a withdrawal of the entire application. Following that 30-day period, you may withdraw your noncompetitive lease application in whole or in part at any time before BLM issues the lease. If a partial

withdrawal causes your lease application to contain less than the minimum acreage required (640 acres, or all lands available for leasing in the section, whichever is less), BLM will reject the application.

Who should I contact if I have a question?

For more information, contact **Chris Pulliam at (775) 861-6506.**

/s/ Atanda Clark

Atanda Clark
Chief, Branch of Minerals Adjudication

**BIDDER REGISTRATION FORM
COMPETITIVE GEOTHERMAL LEASE SALE**

By completing this form, I certify that the undersigned, or the principal party whom the undersigned is acting on behalf of, is in compliance with the applicable regulations and leasing authorities governing a bid and subsequent lease.

I certify that any bid submitted by the undersigned or on behalf of the principal party is a good faith intention by the undersigned or the principal party to acquire a geothermal lease on the offered lands. Further, I acknowledge that if a bid is declared the high bid, it will constitute a legally binding commitment to execute BLM Form 3000-2 and to accept the lease. Additionally, if a bid is declared the high bid, the undersigned or the principal party will pay to the Bureau of Land Management by the close of official business hours on the day of the auction, or such other time as may be specified by the authorized officer, an amount at least equal to minimum monies owed the day of sale for that bid, as set out in applicable regulations. Further, the undersigned or the principal party acknowledge that these monies are due to the Bureau of Land Management, whether or not a lease is subsequently issued as a result of the winning bid.

It is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 for any person to knowingly and willfully make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

A separate form is required for each company or individual you are representing.

Please fill in the company/individual name and address as it will appear on the issued lease. We will send a copy of the lease and billing notices to the name and address as shown below. (NOTE: Please use the same lessee name and address information on BLM Form 3000-2.)

Bidder Number (leave blank)

Lessee Name: _____

Mailing Address: _____

City: _____

State: _____ Zip Code: _____

Bidder Name: _____ Phone number: _____
(including area code)

Relationship to lessee: _____

(Self, Agent, Attorney-in-fact, President, etc.)

Signature

Date